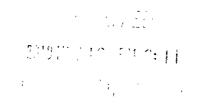


Control Number: 49493



Item Number: 48

Addendum StartPage: 0



OPEN MEETING COVER SHEET

COMMISSIONER MEMORANDUM

MEETING DATE: November 14, 2019

DATE DELIVERED: November 13, 2019

AGENDA ITEM NO.: 13

CAPTION: Docket No. 49493; SOAH No. 473-19-4420

Application of Entergy Texas, Inc. to Adjust its Energy Efficiency Cost Recovery Factor

DESCRIPTION: Commissioner Memoranda

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Chairman

Arthur C. D'Andrea

Commissioner

Shelly Botkin Commissioner

John Paul Urban **Executive Director**



Greg Abbott Governor

Public Utility Commission of Texas

TO:

Chairman DeAnn T. Walker

Commissioner Arthur C. D'Andrea

Commissioner Shelly Botkin

All Parties of Record (via electronic transmission)

FROM:

Corey Pemberton (

Commission Advising

RE:

Application of Entergy Texas, Inc. to Adjust its Energy Efficiency Cost Recovery

Factor, Docket No. 49493, SOAH Docket No. 473-19-4420, November 14, 2019

Open Meeting, Item No. 13.

DATE:

November 13, 2019

Please find enclosed a memorandum by Chairman Walker regarding the above-referenced docket. No other commissioner will file a memorandum in this docket.

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Public Utility Commission of Texas

Memorandum

TO: Commissioner Arthur C. D'Andrea

Commissioner Shelly Botkin

FROM: Chairman DeAnn T. Walker

DATE: November 13, 2019

RE: Open Meeting of November 14, 2019 – Agenda Item No. 13

Docket No. 49493 – Application of Entergy Texas, Inc. to Adjust its Energy Efficiency

Cost Recovery Factor

I recommend that the Commission make the following changes to the proposed order.

Footnotes 1 and 2 should be removed because they do not conform to the Commission's order-writing format. All remaining footnotes should be renumbered.

Findings of fact 39 and 43 should be modified for accuracy and clarity.

- 39. To calculate its 2020 cost caps, ETI applied a 2.224000% consumer-price-index adjustment to the base cap of \$0.001303 per kWh for the residential class and \$0.000815 per kWh for commercial classes in accordance with 16 TAC § 25.182(d)(7). ETI calculated its EECRF cost caps for the 2020 program year to be \$0.001332 per kWh for the residential class and \$0.000833 per kWh for commercial customers.
- 43. ETI filed the affidavit of Wajiha Rizvi, <u>Ssenior Ccounsel</u> for Entergy Services. Ms. Rizvi relied upon the factors required by 16 TAC § 25.245 in reaching her opinion that ETI's non-affiliate rate-case expenses <u>incurred in ETI's 2018 EECRF proceeding</u>, <u>Docket No. 48333</u>, were reasonable. Those expenses consisted of external legal counsel's fees of \$61,408.14, and United Parcel Service delivery charges of \$142.142 incurred in ETI's 2018 EECRF proceeding, <u>Docket No. 48333</u>, were reasonable.

Finding of fact 57 should be rewritten to reflect ETI's net past-cost recovery, in accordance with the Commission's treatment of this finding in other EECRF proceedings.

57. ETI's net past-cost recovery of \$9,768,890\$502,113—which consists of ETI's (i) actual 2018 program costs; (ii) true-up amounts in the 2018 rates; projected EM&V expenses to be recovered in 2020, ETI's net over-recovery of program year 2018 energy-efficiency costs plus interest, (iii) its 2016 ETI's performance bonus earned in 2018, and (iv) the 2016 EECRF proceeding costs rate-case expenses from Docket No. 48333—is a reasonable amount. The costs incurred and recovered by ETI

through its EECRF for program year 2018 were reasonable and necessary to reduce energy and demand costs and are reconciled for program year 2018.

Conclusion of law 24 should also be modified to specify that the amount is ETI's net past-cost recovery.

24. ETI's net past-cost recovery of \$502,113—which consists of ETI's (i) projected EM&V expenses to be incurred in 2020; (ii) refund of its net over-recovery, including interest, of program year 2018 energy-efficiency costs; (iii) ETI's performance bonus earned in 2018; (iv) rate-case expenses incurred in Docket No. 48333; and (v) Cities' rate-case expenses incurred in Docket No. 48333—complies with PURA § 39.905 and 16 TAC § 25.182(d).

Finally, I propose delegating to the Office of Policy and Docket Management staff the authority to modify the order to conform to the *Citation and Style Guide for the Public Utility Commission of Texas* and to make other non-substantive changes to the order for such matters as capitalization, spelling, grammar, punctuation, style, correction of numbering, and readability.

I look forward to discussing this matter with you at the open meeting.